GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5122
ANSWERED ON:11.05.2007
SELF HELP GROUPS
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of FINANCE be pleased to state:

(a) whether the banks have provided separate windows for Self Help Groups (SHGs) and also for join ; liability groups of tenant farmers;

(b) if so, the details and its features thereof; and

(c) the steps taken by the Government for the easy availability of credit to the farmers in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAW AN KUMAR BANSAL)

(a) & (b) : Banks usually set annual goals for credit linkage of SHGs, which has resulted in massive expansion of SHG-Bank Linkage Programme during the last few years. Commercial Bunks, Regional Rural Banks and Co-operative Banks are participating in SHG - Bank Linkage Programme. As on 31 March 2007, a total of 27,11,016 SHGs have availed bank loans to the tune of Rs. 15,843.40 crores (provisional data) from the banking system and no separate window for Self Help Groups has been opened by NABARD.

(c) : Incian Banks` Association and NABARD have issued guidelines to Public Sector Commercial Banks, Cooperative Banks and RRBs respectively for financing Joint Liability Groups (JLGsi. As per the guidelines, the banks have been advised to open a separate window for JLGs of tenant farmers and ensure that a certain proportion of the total credit is extended to them.On 18th June 2004, Â±ie Government announced a package to double the flow of agriculture credit within three years, which has been achieved in two years itself. The credit flow to agriculture during 2005-06 is Rs. 1,80,486 crore as against Rs.86,931 crore during 2003-04. Besides, to reduce the burden of interest on Crop Loans availed by farmers for Kharif ;-nd Rabi 2005-06, an amount equal to two percentage points of the borrower`s liability on the principal amount upto Rs.1,00,000/- was credited to their account. Thereafter, from Kharii: 2006, to ensure that the fanner receives Short-Terrn Production Crecli: at 7% with an upper limit of Rs.3 lakh on the principal amount, the Government is providing interest subvention of 2% per annum to Public Sector Banks, Regional Rural Banks(RRBs) and Cooperative Banks on their lending from their own resources and ref nance at concessional rates to cooperative banks and RRBs on their borrowings from HABAKD.